

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Telecommunications Division
Public Programs Branch**

**RESOLUTION T- 16784
December 18, 2003**

RESOLUTION

Resolution T-16784. Seventeen Small Local Exchange Carriers (LECS) and The California High Cost Fund-A (CHCF-A) Administrative Committee Fund.

This Resolution Sets Forth The CHCF-A Support For Each Of The 17 Small LECS For Calendar Year (CY) 2004.

BY ADVICE LETTER NO.	FILED BY:	DATE FILED:
268	Calaveras Telephone Company (Calaveras)	09/30/03
286	California-Oregon Telephone Company (Cal-Ore)	09/30/03
151	Citizens Telecommunications Company (Citizens-GS) of the Golden State	09/30/03
140	Citizens Telecommunications Company (Citizens-Tu) of Tuolumne	09/30/03
289	Ducor Telephone Company (Ducor)	09/30/03
347	Evans Telephone Company (Evans)	09/30/03
237	Foresthill Telephone Company (Foresthill)	10/02/03
265	Happy Valley Telephone Company (Happy Valley)	09/30/03
234	Hornitos Telephone Company (Hornitos)	09/30/03
321	Kerman Telephone Company (Kerman)	09/30/03
199	Pinnacles Telephone Company (Pinnacles)	09/30/03
327	The Ponderosa Telephone Company (Ponderosa)	10/01/03
315	Sierra Telephone Company (Sierra)	09/30/03
317	Siskiyou Telephone Company (Siskiyou)	09/26/03
597	Verizon West Coast Incorporated (Verizon-WC)	10/01/03
304	Volcano Telephone Company (Volcano)	09/30/03
156	Winterhaven Telephone Company (Winterhaven)	09/30/03

Summary

This resolution adopts a total CY 2004 California High Cost Fund-A (CHCF-A) support of \$30,395,320 for the 17 small Local Exchange Carriers (LECs). The development of the CHCF-A support for each small LEC is shown in Appendix A and explained in the Discussion section. The table below summarizes the monthly and the total annual CHCF-A support for each of the 17 small LECs:

<u>Small LEC</u>	<u>Monthly Support 2004</u>	<u>Yearly Support 2004</u>
Calaveras	\$131,149.75	\$1,573,797.00
Cal-Ore	\$113,544.00	\$1,362,528.00
Citizens- Golden State	\$0.00	\$0.00
Citizens-Tuolumne	\$0.00	\$0.00
Ducor	\$158,211.83	\$1,898,542.00
Evans	\$153,450.50	\$1,841,406.00
Foresthill	\$0.00	\$0.00
Happy Valley	\$0.00	\$0.00
Hornitos	\$0.00	\$0.00
Kerman	\$183,711.32	\$2,204,536.00
Pinnacles	\$20,140.42	\$241,685.00
Ponderosa	\$282,627.58	\$3,391,531.00
Sierra	\$1,023,975.75	\$12,287,709.00
Siskiyou	\$169,762.61	\$2,037,151.00
Verizon West Coast	\$0.00	\$0.00
Volcano	\$296,369.55	\$3,556,435.00
Winterhaven	\$0.00	\$0.00
Total	<u>\$2,532,943.31</u>	<u>\$30,395,320.00</u>

This resolution directs the Telecommunications Division (TD) in concert with the Information and Management Services Division (IMSD) to pay the respective small LECs monthly support as indicated above within 30 days after the close of each calendar month. The prompt payment of monthly support to the small LECs is contingent on the availability of funds and the Commission and State adoption of the budgets covering the payment of the 2004 CHCF-A support. Should the monthly support payments due the small LECs not be paid within 30 days after the close of each

calendar month, TD shall include in those payments interest equal to the 3-month commercial paper rate.¹

Background

The California High Cost Fund (HCF) was implemented by D.88-07-022 as modified by D.91-05-016 and D.91-09-042 to provide a source of supplemental revenues to three mid-size and seventeen small LECs whose basic exchange access line service rates would otherwise be increased to levels that would threaten universal service. Pacific Bell was appointed as the administrator of the fund. Recognizing the public nature of the fund, Pacific set up a separate trust for the CHCF-A.

D.96-10-066 changed the name of HCF to CHCF-A and created the California High Cost Fund-B (CHCF-B). This decision included Pacific Bell, GTE California Incorporated (now Verizon), GTE Contel, Roseville Telephone Company, and Citizens Telecommunications Company of California, Incorporated in the CHCF-B for the purpose of determining universal service subsidy support and maintained the CHCF-A for the 17 small LECs. This decision also directed the Commission to take over the administration of the CHCF-A from Pacific.

Resolution T-16092 approved the transfer of the administrative control of the CHCF-A from Pacific to the Commission effective January 1, 1998. This resolution appointed three Commission staff members as committee members of the CHCF-A Trust Administrative Committee charged with the responsibility of administering the CHCF-A on behalf of the Commission. D.98-06-065 renamed the committee as CHCF-A AC and revised the governance of the CHCF-A consistent with State rules and procedures.

In October 1999, PU Code § 270-281 were codified as a result of the enactment of Senate Bill (SB) 669 (Stats. 1999, Chapter 677). § 270(b) requires that the monies in the CHCF-A and five other funds may only be expended pursuant to § 270-281 and upon appropriation in the annual Budget Act.

D.01-09-064 revised the charter of CHCF-AC to conform to SB 669, and D.02-04-059 established a three-member board for the CHCF-AC.

On or about October 1, 2003, 17 small LECs made their annual CHCF-A advice letter filings in accordance with D.91-09-042. These 17 small LECs requested a total CY 2004 CHCF-A support in excess of \$30 million.

¹ This is consistent with directives set forth in D.01-02-018 and D.01-09-064.

Notice/Protests

The 17 small LECs' 2004 CHCF-A advice letter filings appeared in the Commission's Daily Calendar in October 2003. No protests to the advice letter filings have been received.

Discussion

In this Resolution, the Commission adopts a CHCF-A support of \$30,395,320 for CY 2004. This total support is broken down for each of the 17 small LECs as noted in the summary section of this Resolution.

TD in concert with the IMSD shall make the monthly support payments within 30 days after the close of each calendar month.² In the event that the monthly support payments due the small LECs are not paid within 30 days after the close of each calendar month, TD shall include in those payments interest equal to the 3-month commercial paper rate.

A. 2004 CHCF-A Revenue Requirements and Supports

TD reviewed the advice letter filings made by the 17 small LECs in connection with the 2004 CHCF-A revenue requirements. TD revised the small LECs proposals in accordance with guidelines adopted in D.88-07-022³, and for reason(s) stated below:

- incorrect identification of the beginning revenue requirement for the current year; and
- incorrect determination of the Net Interstate Expense Adjustment.

Specific implementation rules and Commission orders that guided TD's revisions include, but are not limited to, the following:

² The January 2004 monthly support will be paid in February 2004; the December 2004 monthly support will be paid in January 2005.

³ D.88-07-022 was modified by D.91-05-016 and D.91-09-042, Resolution T-16117, D.00-09-072, D.01-02-018, and D.01-05-031. These guidelines are summarized in the Appendix of D. 91-09-042, which are hereinafter referred to as the Implementation Rules.

General Rate Cases (GRCs)

In 2001, Kerman filed its GRC for test year 2002 through an Advice Letter. However, the Commission, in Resolution T-16597, rejected Kerman's GRC filing without prejudice and ordered Kerman to resubmit its GRC filing by application for a 2003 test year. Kerman complied with the Commission order. The Commission's decision in Kerman's rate case is in D.03-10-006.

In 2002, Evans, Sierra, Siskiyou and Volcano filed their GRCs for test year 2003. In 2003, Calaveras, Cal-Ore, Ducor, Pinnacles and Ponderosa filed their GRCs for test year 2004. Citizens – Golden State, Citizens- Tuolumne, Foresthill, Happy Valley, Hornitos, Verizon – West Coast and Winterhaven had their GRCs with a 1997 test year completed in 1997.

These carriers were authorized a 10% rate of return.

Means Test

§ B of the Implementation Rules requires that each CHCF-A support request be subject to a means test, i.e. a small LEC's CHCF-A support is limited to forecasted intrastate results of operations not to exceed the small LEC's authorized rate of return. The forecasted earnings shall be based on at least seven months of recorded financial data, annualized for the year in which the advice letter is filed. D. 91-09-042 also provides that the means test is not required in determining a LEC's CHCF-A funding 12 months after a decision or resolution is rendered by the Commission in a General Rate Case proceeding.

Waterfall

Pursuant to § D of the Implementation Rules, the phase down of the CHCF-A funding level is reinitiated effective January 1 following the year after the completion of a GRC. The funding levels are 100% for the first 3 years, 80% the fourth year, 50% the fifth year, and 0% thereafter. This 6-year phase down of funding level is known as the Waterfall.

D. 99-09-044 delayed the phase-down of the waterfall for Calaveras, Cal-Ore, Ducor, Evans, Foresthill, Happy Valley, Hornitos, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, and Volcano from 2001 to 2002. D.01-05-031 further delayed the phase-down of the waterfall from 2002 to 2003 for Calaveras, Cal-Ore, Ducor,

Foresthill, Hornitos, Kerman, and Pinnacles, but set the waterfall in motion for Evans, Happy Valley, Ponderosa, Sierra, Siskiyou, and Volcano starting 2002.

Foresthill and Hornitos did not file a GRC by December 31, 2002 or December 31, 2003 so their waterfall is set at 50 %.

The funding levels for the 17 small LECs for 2004 are summarized below:

<u>Small LEC</u>	<u>GRC Test Year</u>	<u>2004</u>
Calaveras	2004	100%
Cal-Ore	2004	100%
Citizens-GS	1997	0%
Citizens-Tu	1997	0%
Ducor	2004	100%
Evans	2003	100%
Foresthill	1997	50%
Happy Valley	1997	0%
Hornitos	1997	50%
Kerman	2003	100%
Pinnacles	2004	100%
Ponderosa	2004	100%
Sierra	2003	100%
Siskiyou	2003	100%
Verizon-WC	1997	0%
Volcano	2003	100%
Winterhaven	1997	0%

Net Interstate Expense Adjustment

§ B of the Implementation Rules authorizes the small LECs to include the changes of their federal Universal Service Fund (USF) funding in the annual CHCF-A filings. Pursuant to Resolution T-16117, the change of USF funding level shall be determined by the difference between the forecasted USF support for the current year and the forecasted USF support for the coming year. The current year's forecasted USF support is the amount adopted by the Commission for the current year CHCF-A revenue requirement. The coming year's forecasted USF is the amount projected by the National Exchange Carrier Association (NECA), the administrator of USF.⁴

The CHCF-A support and the rate designs for each of the 17 small LECs for CY 2004 are summarized below. The detailed tables showing the CHCF-A support for the 17 small LECs are shown in Appendix A.

Calaveras, Page 1 of Appendix A

In Resolution T-16756, the Commission adopted a 2004 CHCF-A support of \$1,541,847 plus \$31,950 as one-time support due to the MCI/WorldCom bankruptcy or a total of \$1,573,797 for Calaveras. Calaveras shall receive a monthly support of \$131,149.75 for January through December 2004, i.e. one-twelfth of \$1,573,797.

Cal-Ore, Page 2 of Appendix A

In Resolution T-16762, the Commission adopted a 2004 CHCF-A support of \$1,341,356 plus \$21,172 as one-time support due to the MCI/WorldCom bankruptcy or a total of \$1,362,528 for Cal-Ore. Cal-Ore shall receive a monthly support of \$113,544 for January through December 2004, i.e. one-twelfth of \$1,362,528.

Citizens-GS, Page 3 of Appendix A

Citizens-GS has a 2004 CHCF-A revenue requirement of \$85,422 (at Line 6, Page 3 of Appendix A). However, the waterfall funding for Citizens-Golden State is zero percent. Citizens-Golden State will not receive any CHCF-A funding for 2004.

Citizens-Tu, Page 4 of Appendix A

Citizens-Tu has a 2003 CHCF-A revenue requirement of \$669,983 (at Line 6, Page 4 of Appendix A). However, due to the waterfall, Citizens-Tu is eligible for 0% of the funding level. Citizens-Tu will not receive any CHCF-A funding for 2004.

Ducor, Page 5 of Appendix A

⁴ Data used is the NECA projected 2004 USF Payments as of September 2003.

In Resolution T-16764, the Commission adopted a 2004 CHCF-A support of \$1,886,674 plus \$11,868 as one-time support due to the MCI/WorldCom bankruptcy or a total of \$1,898,542 for Ducor. Ducor shall receive a monthly support of \$158,211.83 for January through December 2004, i.e. one-twelfth of \$1,898,542.

Evans, Page 6 of Appendix A

Evans has a 2004 CHCF-A revenue requirement of \$1,841,406 (at Line 6, Page 6 of Appendix A). In accordance with D.91-09-042, Evans 2004 filing is not subject to the means test since its 2004 filing occurs 12 months after the conclusion of its year 2003 GRC. In addition, pursuant to § D of the Implementation Rules, Evans waterfall is set at 100%. Thus, Evans will receive a monthly support of \$153,450.50 for January through December 2004, i.e., one-twelfth of \$1,841,406.

Foresthill, Page 7 of Appendix A

Foresthill has a 2004 CHCF-A revenue requirement of \$717,005 (at Line 6, Page 7 of Appendix A). However, Foresthill, in Advice letter # 237 stated that they are not requesting any CHCF-A draw in 2004. Thus, Foresthill will not receive any CHCF-A funding at this time.

Happy Valley, Page 8 of Appendix A

Happy Valley has a 2004 CHCF-A revenue requirement of \$2,010,291 (at Line 6, Page 8 of Appendix A). Happy Valley, in Advice Letter #265 stated that it is not seeking CHCF-A funding in 2004. Thus, Happy Valley will not receive any CHCF-A support at this time.

Hornitos, Page 9 of Appendix A

Hornitos has a 2004 CHCF-A revenue requirement of \$403,240 (at Line 6, Page 9 of Appendix A). Hornitos, in Advice letter #234, stated that it is not requesting a draw from the CHCF-A at this time. Therefore, Hornitos will not receive any CHCF-A support for 2004.

Kerman, Page 10 of Appendix A

In 2001, Kerman filed its GRC for test year 2002 through an Advice Letter. However, the Commission, in Resolution T-16597, rejected Kerman's GRC filing without prejudice and ordered Kerman to resubmit its GRC filing by application for a 2003 test year. Kerman complied with the Commission order by filing Application 02-01-004 on January 4, 2002. In conjunction with the filing of its GRC, Kerman filed a motion for additional 2002 CHCF-A support of \$1,937,950 as interim rate relief. The Commission in D. 03-03-009 granted Kerman's motion for interim rate relief.

On October 2, 2003, the Commission, in D. 03-10-006, approved the Settlement Agreement between Kerman and the Office of Ratepayers Advocate that resolves Kerman's GRC. Recital #11 of the Settlement Agreement increased Kerman's 2003 CHCF-A funding provided in Resolution T-16712 by \$1,153,283 to a total 2003 CHCF-A funding level of \$3,102,341.

Ordering Paragraph # 3 of D. 03-10-006 ordered Kerman to refund \$515, 022 (including interest) to CHCF-A within 45 days from the effective date of the decision. This amount represents an overpayment of the 2002 interim rate relief granted to Kerman.

Kerman has a CHCF-A revenue requirement of \$2,204,536 (at Line 6, Page 10 of Appendix A). In accordance with D.91-09-042, Kerman's 2004 filing is not subject to the means test since its 2004 filing occurs within 12 months after the conclusion of its year 2003 GRC. In addition, pursuant to § D of the Implementation Rules, Kerman's waterfall is set at 100%. Thus, Kerman will receive a monthly support of \$183,711.32 for January through December 2004, i.e., one-twelfth of \$2,204,536.

Pinnacles, Page 11 of Appendix A

In Resolution T-16755 the Commission adopted a 2004 CHCF-A support of \$237,290 plus \$4,395 as one-time support due to the MCI/WorldCom bankruptcy or a total of \$241,685 for Pinnacles. Pinnacles shall receive a monthly support of \$20,140.42 for January through December 2004, i.e. one-twelfth of \$241,685.

Ponderosa, Page 12 of Appendix A

In Resolution T-16771, the Commission adopted a 2004 CHCF-A support of \$3,343,375 plus \$48,146 as one-time support due to the MCI/WorldCom bankruptcy or a total of \$3,391,531 for Ponderosa. Ponderosa shall receive a monthly support of \$282,627.58 for January through December 2004, i.e. one-twelfth of \$3,391,531.

Sierra, Page 13 of Appendix A

Sierra has a 2004 CHCF-A revenue requirement of \$12,287,709 (at Line 6, Page 13 of Appendix A). In accordance with D.91-09-042, Sierra's 2004 filing is not subject to the means test since its 2004 filing occurs 12 months after the conclusion of its year 2003

GRC. In addition, pursuant to § D of the Implementation Rules, Sierra's waterfall is set at 100%. Thus, Sierra will receive a monthly support of \$1,023,975.75 for January through December 2004, i.e., one-twelfth of \$12,287.709.

Siskiyou, Page 14 of Appendix A

Siskiyou has a 2004 CHCF-A revenue requirement of \$2,037,151 before the means test (at Line 6, Page 14 of Appendix A). In accordance with D.91-09-042, Siskiyou's 2004 filing is not subject to the means test since its 2004 filing occurs 12 months after the conclusion of its year 2003 GRC. In addition, pursuant to § D of the Implementation Rules, Siskiyou's waterfall is set at 100%. Thus, Siskiyou will receive a monthly support of \$169,762.61 for January through December 2004, i.e., one-twelfth of \$2,037,151.

Verizon-WC, Page 15 of Appendix A

Verizon-WC has a 2004 CHCF-A revenue requirement of \$811,335 (at Line 6, Page 15 of Appendix A). In its advice letter, Verizon-West Coast stated that they are not requesting a draw from the CHCF-A. Thus, Verizon-West Coast will not receive any CHCF-A support for 2004.

Volcano, Page 16 of Appendix A

Volcano has a 2004 CHCF-A revenue requirement of \$3,556,435 (at Line 6, Page 16 of Appendix A). In accordance with D.91-09-042, Volcano's 2004 filing is not subject to the means test since its 2004 filing occurs 12 months after the conclusion of its year 2003 GRC. In addition, pursuant to § D of the Implementation Rules, Volcano's waterfall is set at 100%. Thus, Volcano will receive a monthly support of \$296,369.55 for January through December 2004, i.e., one-twelfth of \$3,556,435.

Winterhaven, Page 17 of Appendix A

Winterhaven has a 2004 CHCF-A revenue requirement of \$65,864 (at Line 6, Page 17 of Appendix A). In its advice letter, Winterhaven stated that they are not requesting a draw from the CHCF-A. Thus, Winterhaven will not receive any CHCF-A support for 2004.

The Commission finds TD's recommended CHCF-A support payments for the 17 small LECs for 2004 reasonable and consistent with our orders and are therefore adopted.

B. CHCF-A Budget and CHCF-A Surcharge Rate for FY 2003-04 and FY 2004-05

The Commission, in Resolution T- 16702, approved a \$48.95 million CHCF-A program budget for FY 2003– 04. Of this amount, \$21.83 million has been allocated as program payments to the small LECs from January through June 2004.

The FY 2004-05 budget resolution, which will be proposed to the Commission for adoption includes the approval of a recasted FY 2003-04 budget of \$48.78 million and a proposed \$47.87 million budget for FY 2004-05.

There are enough funds in both the recasted FY 2003-04 and FY 2004-05 budgets to cover the 2004 CHCF-A support to the small LECs.

Comments on Draft Resolution

In compliance with PU Code § 311(g), a notice letter was mailed on November 18, 2003 informing the 17 small LECs, the CHCFA-AC, the parties of record in R01-08-002 and the parties on the service list of A99-09-044 of the availability of the draft of this Resolution for public comments at the Commission's web site www.CPUC.ca.gov/static/industry/telco/resolutions/index.htm. This letter also informed parties that the final Resolution adopted by the Commission will be posted and will be available at the same web site.

TD received no comments on this resolution.

Findings

1. The California High Cost Fund (HCF) was implemented by Decision (D.) 88-07-022, as modified by D.91-05-016 and D.91-09-042. The Implementation Rules governing the CHCF-A can be found in their entirety in the Appendix of D.91-09-042. The purpose of the HCF was to provide a source of supplemental revenues to three mid-size Local Exchange Carriers (LECs) and seventeen small LECs whose basic exchange access line service rates would otherwise be increased to levels that would threaten universal service.
2. D.96-10-066 changed the name of HCF to California High Cost Fund A (CHCF-A) and created the California High Cost Fund-B (CHCF-B). This decision included the three mid-size LECs in the CHCF-B for the purpose of determining universal service subsidy support and maintained the CHCF-A for the 17 small LECs. D.98-06-065 renamed the CHCF-A Trust Administrative Committee to CHCF-A Administrative Committee (CHCFA-AC) and revised the governance of CHCF-A to be consistent with State rules and procedures.

3. In October 1999, Public Utilities (PU) Code § 270-281 were codified as a result of the enactment of Senate Bill 669.
4. PU Code § 270(b) requires that the monies in CHCF-A may only be expended pursuant to § 270-281 and upon appropriation in the annual Budget Act.
5. The Telecommunications Division (TD) reviewed the filings made by the 17 small LECs in connection with the 2004 CHCF-A payment requirements.
6. TD revised the 2004 CHCF-A support requests submitted by the 17 small LECs in accordance with the Implementation Rules and Guidelines set forth in D.88-07-022 as modified by D.91-05-016 and D.91-09-042, Resolution T-16117, D.00-09-072 and D.01-02-018.
7. The total approved 2004 CHCF-A draw for the 17 small LECs should be \$30,395,320.
8. The monthly support payments for January 2004 through December 2004 are to be paid by the TD in concert with the Information and Management Services Division within 30 days after the close of each calendar month subject to the availability of funds and the Commission and State adoption of the budgets covering the payment of the 2004 CHCF-A support. In the event that the monthly support payments due the small LECs are not paid within 30 days after the close of each calendar month, TD shall include in those payments interest equal to the 3-month commercial paper rate.

9. The Commission, in Resolution T- 16702, approved a \$48.95 million CHCF-A program budget for Fiscal Year (FY) 2003 – 04. Of this amount, \$21.83 million has been allocated as program payments to the small LECs from January through June 2004.
10. The FY 2004-05 budget resolution, which will be proposed to the Commission for adoption includes the approval of a recasted FY 2003-04 budget of \$48.78 million and a proposed \$47.87 million budget for FY 2004-05. There are enough funds in both the recasted FY 2003-04 and FY 2004-05 budgets to cover the 2004 CHCF-A support to the small LECs.
11. A notice letter was mailed on November 18, 2003 informing the 17 small LECs, the CHCFA-AC, the parties of record in R01-08-002 and the parties on the service list of A99-09-044 of the availability of the draft resolution for public comments at the Commission's web site www.CPUC.ca.gov/static/industry/telco/resolutions/index.htm. In addition they were informed of the availability of the conformed resolution, when adopted by the Commission, at the same web site.
12. TD received no comments on this resolution.
13. The Commission finds TD's recommended CHCF-A support for each of the 17 small LECs as summarized in Appendix A of this Resolution reasonable and consistent with Commission orders and should be adopted.
14. The Commission is committed to utilize the CPUC Internet for distributing commission orders and information.

THEREFORE, IT IS ORDERED that:

1. The respective California High Cost Fund A (CHCF-A) support for each of the 17 small local exchange carriers (LECs) as described in the body and summarized in Appendix A of this Resolution is adopted.
2. The total approved CHCF-A support of \$30,395,320 for the 17 LECs for 2004 is as listed below:

<u>Small LEC</u>	<u>Monthly Support 2004</u>	<u>Yearly Support 2004</u>
Calaveras	\$131,149.75	\$1,573,797.00
Cal-Ore	\$113,544.00	\$1,362,528.00
Citizens- Golden State	\$0.00	\$0.00
Citizens-Tuolumne	\$0.00	\$0.00
Ducor	\$158,211.83	\$1,898,542.00
Evans	\$153,450.50	\$1,841,406.00
Foresthill	\$0.00	\$0.00
Happy Valley	\$0.00	\$0.00
Hornitos	\$0.00	\$0.00
Kerman	\$183,711.32	\$2,204,536.00
Pinnacles	\$20,140.42	\$241,685.00
Ponderosa	\$282,627.58	\$3,391,531.00
Sierra	\$1,023,975.75	\$12,287,709.00
Siskiyou	\$169,762.61	\$2,037,151.00
Verizon West Coast	\$0.00	\$0.00
Volcano	\$296,369.55	\$3,556,435.00
Winterhaven	\$0.00	\$0.00
Total	<u>\$2,532,943.31</u>	<u>\$30,395,320.00</u>

The monthly support payments for January 2004 through December 2004 are to be paid by the Telecommunications Division (TD) in concert with the Information and Management Services Division (IMSD) within 30 days after the close of each calendar month. The prompt payment of monthly support to the LECs is contingent on the availability of funds and the Commission and State adoption of the budgets covering the payment for the 2004 CHCF-A support. In the event that the monthly support payments due the small LECs are not paid within 30 days after the close of each calendar month, TD shall include in those payments interest equal to the 3-month commercial paper rate.

3. The \$30,395,320 program support payment for the 17 small LECs shall be paid out of the CHCF-A fund.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 18, 2003. The following Commissioners approved it:

/s/ WILLIAM AHERN

WILLIAM AHERN
Executive Director

MICHAEL R. PEEVEY
President

CARL W. WOOD

LORETTA M. LYNCH

GEOFFREY F. BROWN

SUSAN P. KENNEDY

Commissioners

APPENDIX A
Resolution T- 16784

	Calaveras AL 268	Adopted Res T-16756	Commission Adopted
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)			
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription			
b Change in Dem weighing (FCC 01-162, 36.125(j))			
c Sub-total (sum of lines 2a and 2b)			
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)			
4 Year 2004 Impacts (Recurring)			
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)			
b Projected Year 2004 USF (Per NECA)			
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)			
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)			
7 Rate Increase (1-Party Residential Flat-Rate Service)			
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)			
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support			
11 2004 Revenue Requirement after Means Test			
12 Waterfall effect			
13 2004 Revenue Requirement after Waterfall			
14 2004 CHCF-A Support	\$1,573,797	\$1,573,797	\$1,573,797
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)	\$ 131,149.75	\$131,149.75	\$131,149.75

APPENDIX A
Resolution T- 16784

	Cal-Ore AL 286	Adopted Res T.16762	Commission Adopted
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)			
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription			
b Change in Dem weighing (FCC 01-162, 36.125(j))			
c Sub-total (sum of lines 2a and 2b)			
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)			
4 Year 2004 Impacts (Recurring)			
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)			
b Projected Year 2004 USF (Per NECA.)			
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)			
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)			
7 Rate Increase (1-Party Residential Flat-Rate Service)			
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)			
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support			
11 2004 Revenue Requirement after Means Test			
12 Waterfall effect			
13 2004 Revenue Requirement after Waterfall			
14 2004 CHCF-A Support	\$1,362,528	\$1,362,528	\$1,362,528
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)	\$113,544.00	\$113,544.00	\$113,544.00

APPENDIX A
Resolution T- 16784

	Citizens-GS	Staff	Commission
	<u>AL 151</u>	<u>Proposed</u>	<u>Adopted</u>
1 2003 CHCF-A Requirement	\$178,243	\$178,243	\$178,243
(Resolution T-16712, Appendix A line 8)			
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2004 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)	\$1,500,003	\$1,500,003	\$1,500,003
b Projected Year 2004 USF (Per NECA.)	(\$1,700,626)	(\$1,692,824)	(\$1,692,824)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$200,623)	(\$92,821)	(\$92,821)
6 2004 CHCF-A Revenue Requirement	(\$22,380)	\$85,422	\$85,422
(sum of lines 1, 2c, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2004 Revenue Requirement	(\$22,380)	\$85,422	\$85,422
(Beginning CHCF-A Revenue Requirement for 2005)			
9 Temporary Surcredit	-0.030%		
10 2004 Revenue Requirement eligible for CHCF-A Support	(\$22,380)	\$85,422	\$85,422
11 2004 Revenue Requirement after Means Test			
12 Waterfall effect	0%	0%	0%
13 2004 Revenue Requirement after Waterfall	\$0	\$0	\$0
14 2004 CHCF-A Support	\$0	\$0	\$0
15 Monthly Payment for Periods Jan - Dec 2004		\$0.00	\$0.00
(Line 14/12)			

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	Citizens-Tu AL 140	Staff Proposed	Commission Adopted
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)	\$476,828	\$476,828	\$476,828
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2004 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)	\$1,396,397	\$1,396,397	\$1,396,397
b Projected Year 2004 USF (Per NECA.)	(\$1,209,855)	(\$1,203,242)	(\$1,203,242)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$186,542	\$193,155	\$193,155
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)	\$663,370	\$669,983	\$669,983
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)	\$663,370	\$669,983	\$669,983
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support	\$663,370	\$669,983	\$669,983
11 2004 Revenue Requirement after Means Test			
12 Waterfall effect	0%	0%	0%
13 2004 Revenue Requirement after Waterfall	\$0	\$0	\$0
14 2004 CHCF-A Support	\$0	\$0	\$0
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)		\$0.00	\$0.00

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	<u>Ducer</u> <u>AL 289</u>	<u>Adopted</u> <u>Res T.16764</u>	<u>Commission</u> <u>Adopted</u>
1 2003 CHCF-A Requirement			
(Resolution T-16712, Appendix A line 8)			
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription			
b Change in Dem weighing (FCC 01-162, 36.125(j))			
c Sub-total (sum of lines 2a and 2b)			
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)			
4 Year 2004 Impacts (Recurring)			
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)			
b Projected Year 2004 USF (Per NECA.)			
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)			
6 2004 CHCF-A Revenue Requirement			
(sum of lines 1, 2c, 3 and 4 and 5c)			
7 Rate Increase			
(1-Party Residential Flat-Rate Service)			
8 Total 2004 Revenue Requirement			
(Beginning CHCF-A Revenue Requirement for 2005)			
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support			
11 2004 Revenue Requirement after Means Test			
12 Waterfall effect			
13 2004 Revenue Requirement after Waterfall			
14 2004 CHCF-A Support	\$1,898,542	\$1,898,542	\$1,898,542
15 Monthly Payment for Periods Jan - Dec 2004	\$158,211.83	\$158,211.83	\$158,211.83
(Line 14/12)			

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	Evans <u>AL 347</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)	\$1,803,612	\$1,803,612	\$1,803,612
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2004 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)	\$68,455	\$68,455	\$68,455
b Projected Year 2004 USF (Per NECA.)	(\$110,026)	(\$30,661)	(\$30,661)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$41,571)	\$37,794	\$37,794
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)	\$1,762,041	\$1,841,406	\$1,841,406
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)	\$1,762,041	\$1,841,406	\$1,841,406
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support	\$1,762,041	\$1,841,406	\$1,841,406
11 2004 Revenue Requirement after Means Test	\$1,762,041	\$1,841,406	\$1,841,406
12 Waterfall effect	100%	100%	100%
13 2004 Revenue Requirement after Waterfall	\$1,762,041	\$1,841,406	\$1,841,406
14 2004 CHCF-A Support	\$1,762,041	\$1,841,406	\$1,841,406
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)		\$153,450.50	\$153,450.50

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	Foresthill <u>AL 237</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)	\$221,170	\$739,737	\$739,737
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2004 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)	\$547,996	\$547,996	\$547,996
b Projected Year 2004 USF (Per NECA.)	(\$598,006)	(\$570,728)	(\$570,728)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$50,010)	(\$22,732)	(\$22,732)
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)	\$171,160	\$717,005	\$717,005
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)	\$171,160	\$717,005	\$717,005
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support	\$171,160	\$717,005	\$717,005
11 2004 Revenue Requirement after Means Test	\$0	\$0	\$0
12 Waterfall effect	50%	50%	50%
13 2004 Revenue Requirement after Waterfall	\$0	\$0	\$0
14 2004 CHCF-A Support	\$0	\$0	\$0
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)		\$0.00	\$0.00

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	Happy Valley AL 265	Staff Proposed	Commission Adopted
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)	\$1,886,188	\$1,886,188	\$1,886,188
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(i))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2004 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)	\$914,687	\$914,687	\$914,687
b Projected Year 2004 USF (Per NECA.)	(\$773,303)	(\$790,584)	(\$790,584)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$141,384	\$124,103	\$124,103
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)	\$2,027,572	\$2,010,291	\$2,010,291
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)	\$2,027,572	\$2,010,291	\$2,010,291
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support	\$2,027,572	\$2,010,291	\$2,010,291
11 2004 Revenue Requirement after Means Test	\$0	\$0	\$0
12 Waterfall effect	0%	0%	0%
13 2004 Revenue Requirement after Waterfall	\$0	\$0	\$0
14 2004 CHCF-A Support	\$0	\$0	\$0
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)		\$0.00	\$0.00

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	Hornitos	Staff	Commission
	<u>AL 234</u>	<u>Proposed</u>	<u>Adopted</u>
1 2003 CHCF-A Requirement	\$368,355	\$368,365	\$368,355
(Resolution T-16712, Appendix A line 8)			
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(i))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2004 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)	\$202,109	\$202,109	\$202,109
b Projected Year 2004 USF (Per NECA)	(\$163,966)	(\$167,224)	(\$167,224)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$38,143	\$34,885	\$34,885
6 2004 CHCF-A Revenue Requirement	\$406,498	\$403,240	\$403,240
(sum of lines 1, 2c, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2004 Revenue Requirement	\$406,498	\$403,240	\$403,240
(Beginning CHCF-A Revenue Requirement for 2005)			
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support	\$406,498	\$403,240	\$403,240
11 2004 Revenue Requirement after Means Test	\$0	\$0	\$0
12 Waterfall effect	50%	50%	50%
13 2004 Revenue Requirement after Waterfall	\$0	\$0	\$0
14 2004 CHCF-A Support	\$0	\$0	\$0
15 Monthly Payment for Periods Jan - Dec 2004		\$0.00	\$0.00
(Line 14/12)			

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	Kerman <u>AL 321</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
1 2003 CHCF-A Requirement	\$3,102,341	\$3,102,341	\$3,102,341
(Resolution T-16712, Appendix A line 8)			
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)	\$108,226	\$108,226	\$108,226
4 Year 2004 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)	\$412,545	\$433,173	\$433,173
b Projected Year 2004 USF (Per NECA.)	(\$1,485,252)	(\$1,439,204)	(\$1,439,204)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$1,072,707)	(\$1,006,031)	(\$1,006,031)
6 2004 CHCF-A Revenue Requirement	\$2,137,860	\$2,204,536	\$2,204,536
(sum of lines 1, 2c, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2004 Revenue Requirement	\$2,137,860	\$2,204,536	\$2,204,536
(Beginning CHCF-A Revenue Requirement for 2005)			
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support	\$2,137,860	\$2,204,536	\$2,204,536
11 2004 Revenue Requirement after Means Test	\$2,137,860	2,204,536	\$2,204,536
12 Waterfall effect	100%	100%	100%
13 2004 Revenue Requirement after Waterfall	\$2,137,860	\$2,204,536	\$2,204,536
14 2004 CHCF-A Support	\$2,137,860	\$2,204,536	\$2,204,536
15 Monthly Payment for Periods Jan - Dec 2004		\$183,711.32	\$183,711.32
(Line 14/12)			

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	Pinnacles AL 199	Adopted Res T-16755	Commission Adopted
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)			
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription			
b Change in Dem weighing (FCC 01-162, 36.125(j))			
c Sub-total (sum of lines 2a and 2b)			
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)			
4 Year 2004 Impacts (Recurring)			
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)			
b Projected Year 2004 USF (Per NECA.)			
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)			
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)			
7 Rate Increase (1-Party Residential Flat-Rate Service)			
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)			
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support			
11 2004 Revenue Requirement after Means Test			
12 Waterfall effect			
13 2004 Revenue Requirement after Waterfall			
14 2004 CHCF-A Support	\$241,685	\$241,685	\$241,685
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)	\$20,140.42	\$20,140.42	\$20,140.42

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	Ponderosa AL 327	Adopted Res T-16771	Commission Adopted
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)			
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription			
b Change in Dem weighing (FCC 01-162, 36.125(j))			
c Sub-total (sum of lines 2a and 2b)			
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)			
4 Year 2004 Impacts (Recurring)			
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)			
b Projected Year 2004 USF (Per NECA.)			
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)			
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)			
7 Rate Increase (1-Party Residential Flat-Rate Service)			
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)			
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support			
11 2004 Revenue Requirement after Means Test			
12 Waterfall effect			
13 2004 Revenue Requirement after Waterfall			
14 2004 CHCF-A Support	3,391,531	\$3,391,531	\$3,391,531
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)	\$202,627.50	\$202,627.50	\$202,627.50

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	Sierra AL 315	Staff Proposed	Commission Adopted
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)	\$13,175,551	\$13,175,550	\$13,175,550
2 Reverse 2002 Non-Recurring Revenue Requirement			
a Intralata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2004 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)	\$5,803,376	\$5,803,376	\$5,803,376
b Projected Year 2004 USF (Per NECA)	(\$6,827,811)	(\$6,691,217)	(\$6,691,217)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$1,024,435)	(\$887,841)	(\$887,841)
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)	\$12,151,116	\$12,287,709	\$12,287,709
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)	\$12,151,116	\$12,287,709	\$12,287,709
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support	\$12,151,116	\$12,287,709	\$12,287,709
11 2004 Revenue Requirement after Means Test	\$12,151,116	12,287,709	12,287,709
12 Waterfall effect	100%	100%	100%
13 2004 Revenue Requirement after Waterfall	\$12,151,116	\$12,287,709	\$12,287,709
14 2004 CHCF-A Support	\$12,151,116	\$12,287,709	\$12,287,709
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)		\$1,023,975.75	\$1,023,975.75

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	Siskiyou AL 317	Staff Proposed	Commission Adopted
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)	\$2,153,169	\$2,153,169	\$2,153,169
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2004 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)	\$2,051,898	\$2,051,898	\$2,051,898
b Projected Year 2004 USF (Per NECA.)	(\$2,194,051)	(\$2,167,906)	(\$2,167,906)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$142,163)	(\$116,018)	(\$116,018)
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)	\$2,011,006	\$2,037,151	\$2,037,151
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)	\$2,011,006	\$2,037,151	\$2,037,151
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support	\$2,011,006	\$2,037,151	\$2,037,151
11 2004 Revenue Requirement after Means Test	\$2,011,006	2,037,151	\$2,037,151
12 Waterfall effect	100%	100%	100%
13 2004 Revenue Requirement after Waterfall	\$2,011,006	2,037,151	\$2,037,151
14 2004 CHCF-A Support	\$2,011,006	\$2,037,151	\$2,037,151
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)		\$169,762.61	\$169,762.61

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	Verizon-WC	Staff	Commission
	<u>AL 597</u>	<u>Proposed</u>	<u>Adopted</u>
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)	\$811,335	\$811,335	\$811,335
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2004 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)	\$0	\$0	\$0
b Projected Year 2004 USF (Per NECA.)	\$0	\$0	\$0
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0	\$0	\$0
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)	\$811,335	\$811,335	\$811,335
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)	\$811,335	\$811,335	\$811,335
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support	\$811,335	\$811,335	\$811,335
11 2004 Revenue Requirement after Means Test	\$436,191	\$0	\$0
12 Waterfall effect	0%	0%	0%
13 2004 Revenue Requirement after Waterfall	\$0	\$0	\$0
14 2004 CHCF-A Support	\$0	\$0	\$0
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)		\$0.00	\$0.00

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	Volcano AL 304	Staff Proposed	Commission Adopted
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)	\$3,775,457	\$3,775,457	\$3,775,457
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2004 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)	\$1,423,062	\$1,423,062	\$1,423,062
b Projected Year 2004 USF (Per NECA.)	(\$1,734,040)	(\$1,642,084)	(\$1,642,084)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$310,978)	(\$219,022)	(\$219,022)
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)	\$3,464,479	\$3,556,435	\$3,556,435
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)	\$3,464,479	\$3,556,435	\$3,556,435
9 Temporary Surcredit	\$0		
10 2004 Revenue Requirement eligible for CHCF-A Support	\$3,464,479	3,556,435	3,556,435
11 2004 Revenue Requirement after Means Test	3,464,479	3,556,435	\$3,556,435
12 Waterfall effect	100%	100%	100%
13 2004 Revenue Requirement after Waterfall	\$3,464,479	3,556,435	\$3,556,435
14 2004 CHCF-A Support	\$3,464,479	\$3,556,435	\$3,556,435
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)		\$296,369.55	\$296,369.55

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Resolution T- 16784

	Winterhaven AL156	Staff Proposed	Commission Adopted
1 2003 CHCF-A Requirement (Resolution T-16712, Appendix A line 8)	\$47,625	\$47,625	\$47,625
2 Reverse 2002 Non-Recurring Revenue Requirement			
a IntraLata Presubscription	\$0	\$0	\$0
b Change in Dem weighing (FCC 01-162, 36.125(j))	\$0	\$0	\$0
c Sub-total (sum of lines 2a and 2b)	\$0	\$0	\$0
3 Adjustments to 2003 CHCF-A Requirement (Non-Recurring)	\$0	\$0	\$0
4 Year 2004 Impacts (Recurring)	\$0	\$0	\$0
5 Net Interstate Expense Adjustment			
a Projected 2003 USF (Resolution T-16712, Appendix A line 5b)	\$308,339	\$308,339	\$308,339
b Projected Year 2004 USF (Per NECA,)	(\$281,917)	(\$290,101)	(\$290,101)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$26,422	\$18,239	\$18,239
6 2004 CHCF-A Revenue Requirement (sum of lines 1, 2c, 3 and 4 and 5c)	\$74,047	\$65,864	\$65,864
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2004 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2005)	\$74,047	\$65,864	\$65,864
9 Temporary Surcredit			
10 2004 Revenue Requirement eligible for CHCF-A Support	\$74,047	\$65,864	\$65,864
11 2004 Revenue Requirement after Means Test	\$0	\$0	\$0
12 Waterfall effect	0%	0%	0%
13 2004 Revenue Requirement after Waterfall	\$0	\$0	\$0
14 2004 CHCF-A Support	\$0	\$0	\$0
15 Monthly Payment for Periods Jan - Dec 2004 (Line 14/12)		\$0.00	\$0.00